

AMENDED IN ASSEMBLY APRIL 10, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 1203

Introduced by Assembly Member Haynes

February 21, 2003

~~An act to amend Section 739.6 of the Public Utilities Code, relating to public utilities. An act to add Section 80103 to the Water Code, relating to energy.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 1203, as amended, Haynes. ~~Rates; allocation of costs~~ *Electric power; purchase contracts.*

~~Existing law requires the Public Utilities Commission to establish rates using cost allocation principles that fairly and reasonably assign to different customer classes the costs of providing service to those customer classes, consistent with the policies of affordability and conservation. Existing law allows the commission to modify a cost allocation methodology adopted for gas corporations to address customer hardships and inequities if residential customers as a class are not, on balance, adversely affected and the purpose of the modification is not solely protection of gas corporation revenues.~~

~~This bill would make technical, nonsubstantive changes in those provisions.~~ *authorizes the Department of Water Resources to contract with any person, local publicly owned electric utility, or other entity for the purchase of power on such terms and for such periods as the department determines and at such prices as the department deems appropriate.*

This bill would require the department to sell or liquidate all contracts for the purchase of power that it has entered into pursuant to the above provision.

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 ~~SECTION 1. Section 739.6 of the Public Utilities Code is~~
2 ~~SECTION 1. Section 80103 is added to the Water Code, to~~
3 ~~read:~~
4 ~~80103. The department shall sell or liquidate all contracts for~~
5 ~~the purchase of power that it has entered into pursuant to this~~
6 ~~division.~~
7 ~~amended to read:~~
8 ~~739.6. (a) The commission shall establish rates using cost~~
9 ~~allocation principles that fairly and reasonably assign to different~~
10 ~~customer classes the costs of providing service to those customer~~
11 ~~classes, consistent with the policies of affordability and~~
12 ~~conservation.~~
13 ~~(b) The cost allocation methodology adopted for gas~~
14 ~~corporations by the commission in Decisions 86-12-009 and~~
15 ~~86-12-010, as supplemented by Decisions 87-05-046 and~~
16 ~~87-12-039, is consistent with the policy described in subdivision~~
17 ~~(a), and shall be retained by the commission at least until~~
18 ~~December 31, 1990, except that the commission may modify this~~
19 ~~cost allocation methodology to address customer hardships and~~
20 ~~inequities if residential customers as a class are not, on balance,~~
21 ~~adversely affected and the purpose of the modification is not solely~~
22 ~~protection of gas corporation revenues. If any gas corporation files~~
23 ~~a cost allocation application seeking to change that methodology~~
24 ~~after May 1, 1990, the commission may not issue an order on that~~
25 ~~application until January 1, 1991.~~